



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 8, 1998

H.R. 2431 **Freedom From Religious Persecution Act of 1998**

As ordered reported by the House Committee on the Judiciary on May 6, 1998

SUMMARY

H.R. 2431 would create an Office of Religious Persecution Monitoring to monitor and to report on violations of religious freedom throughout the world. The bill would authorize the appropriation of \$2 million for fiscal year 1999 for the Attorney General and the General Accounting Office (GAO) to prepare a report on the treatment of applicants for asylum. The bill would impose restrictions on trade or aid, deny visas, and levy sanctions on countries that are found to support or tolerate religious persecution. In particular, the bill would impose additional sanctions on Sudan. Finally, the bill would make certain changes to policies governing the admission of refugees into the United States.

CBO estimates that enacting the bill would increase discretionary spending, assuming the appropriation of the necessary funds. Based on information from the Department of State, CBO estimates that the Office of Religious Persecution Monitoring would cost about \$600,000 a year and that the report required by the bill would cost about \$2 million in 1999.

H.R. 2431 would affect direct spending, and thus pay-as-you-go procedures would apply. The bill would change policies governing refugees and could affect direct spending for certain benefit programs, but CBO does not expect that such costs would be significant.

H.R. 2431 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), and would not have a significant impact on the budgets of state, local, or tribal governments. The bill would impose new private-sector mandates, as defined by UMRA, but CBO cannot determine whether the total costs of mandates resulting from sanctions against countries that engage in religious persecution would exceed the statutory threshold set by UMRA (\$100 million in 1996, adjusted annually for inflation) in any one year.

BASIS OF ESTIMATE

The estimate assumes enactment of H.R. 2431 by September 30, 1998, and subsequent appropriation of the estimated authorizations. The costs of this legislation fall within budget functions 150 (international affairs) and 750 (administration of justice).

Spending Subject to Appropriations

The bill would require the creation of an Office of Religious Persecution Monitoring within the Department of State. Based on information provided by the department, CBO estimates that operating the office would require about five personnel, including the director, and would cost \$600,000 per year.

H.R. 2431 would authorize the appropriation of \$2 million for fiscal year 1999 for the Attorney General and the GAO to prepare a report to the Congress on how the Immigration and Naturalization Service treats applicants for asylum. Assuming the appropriation of the necessary funds, CBO estimates that this provision would result in additional spending of about \$2 million in 1999.

CBO estimates that the restrictions on foreign assistance required by the bill would not have a significant budgetary impact. The United States provides little assistance to the governments of countries suspected of supporting or tolerating religious persecution. In addition, the bill provides for many exemptions and waivers.

Direct Spending

H.R. 2431 would make certain changes to policies governing the admission of refugees into the United States. These changes could potentially affect direct spending for certain benefit programs (notably Supplemental Security Income, Food Stamps, and Medicaid) because many such individuals collect benefits under those programs, but CBO does not expect that those costs would be significant.

Under current law, applicants who can demonstrate a well-founded fear of persecution on account of religion (or race, nationality, membership in a particular social group, or political opinion) already qualify for asylee or refugee status. The Department of State, which monitors the human rights situation around the world, has developed profiles of the varieties of religious persecution prevalent in various countries, and those profiles are used by the Department of Justice in adjudicating claims of asylum. Applicants for refugee or asylee status from countries such as Sudan and Iraq already have a very high probability of being

granted admission into the United States. H.R. 2431 would continue to require that applicants establish a well-founded fear of persecution, and would not grant automatic admission to anyone who merely asserts such claim on the basis of religion.

The bill would automatically place victims of religious persecution in a higher priority classification in the refugee queue, although that status does not constitute a guarantee of admission. It would also provide for a period of public review and comment on the proposed ceiling for refugee admissions in the coming year, a ceiling that is now set by the President after consultation with key Congressional committees. Those procedural changes raise the possibility that the bill would lead the government to admit more refugees. But after consulting with the Department of Justice and the Department of State, CBO concludes that the number of additional people granted refugee status is likely to be quite small.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending and receipts. Because the bill would result in additional direct spending, pay-as-you-go procedures would apply. The bill would change policies governing refugees and could affect direct spending for certain benefit programs, but CBO does not expect that such costs would be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2431 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not have a significant impact on the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2431 would impose new private-sector mandates, as defined by UMRA, on U.S. exporters who sell to countries identified as engaging in religious persecution. In addition, the bill would extend mandates that currently prohibit nearly all economic relations with Sudan. Because the precise prohibitions against exports relating to religious persecution would be determined at a later date, CBO cannot estimate whether the direct costs of mandates in the bill would exceed the statutory threshold established in UMRA.

Section 7 would prohibit exports to identified responsible entities within a country that has been determined to carry out religious persecution and exports of products that facilitate

persecution, depending on the specific findings of the Secretary of State. Because we have no basis for predicting what the Secretary's findings would be, CBO cannot estimate the direct costs to the private-sector of these provisions.

Section 12 would extend current sanctions against Sudan. Because existing sanctions ban virtually all economic relations with Sudan, CBO estimates that the provisions of this section would not impose significant additional costs on private-sector entities.

PREVIOUS CBO ESTIMATE

On April 1, 1998, CBO prepared an estimate for H.R. 2431 as ordered reported by the House Committee on International Relations. This estimate contains the amendments to immigration policy made by the House Committee on the Judiciary. The committee's amendments would make no substantive changes in the asylum adjudication process, but would provide for a study by the General Accounting Office and the Attorney General.

ESTIMATE PREPARED BY:

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